



**Attorney General
Betty D. Montgomery**

October 10, 1995

Via Overnight Mail

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

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Re: *In the Matter of a Notice of Proposed
Rulemaking in the Matter of
Telephone Number Portability,
CC Docket No. 95-116, RM 8535*

Dear Mr. Caton:

Enclosed please find the original and ten copies of the **Reply Comments of the Public Utilities Commission of Ohio concerning the Federal Communications Commission Notice of Proposed Rulemaking in the Matter of Telephone Number Portability** in the above captioned docket. Please return a time-stamped copy to me in the enclosed stamped, self-addressed envelope.

Thank you for your assistance in this matter.

Respectfully submitted,

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STN/rsp

Enclosure

cc: Policy and Program Planning Division
International Transcript Services, Inc.

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Before the
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IN THE MATTER OF A NOTICE)
OF PROPOSED RULEMAKING)
IN THE MATTER OF TELEPHONE)
NUMBER PORTABILITY)

CC Docket No. 95-116
RM 8535

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REPLY COMMENTS OF THE PUBLIC UTILITIES COMMISSION OF OHIO

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Dated: October 11, 1995

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FEDERAL COMMUNICATIONS COMMISSION
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IN THE MATTER OF A NOTICE)	
OF PROPOSED RULEMAKING)	CC Docket No. 95-116
IN THE MATTER OF TELEPHONE)	RM 8535
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REPLY COMMENTS OF THE PUBLIC UTILITIES COMMISSION OF OHIO

Introduction:

The Public Utilities Commission of Ohio (PUCO) offers these reply comments to further emphasize the importance of not delaying the implementation of true number portability. True number portability is a necessity for the long-term success of competition in the local exchange market. Most of the commentors agree that subscribers would often be highly adverse to switching carriers if switching telephone numbers is also obligatory. Ohio and many other states have taken systematic steps to reduce the competitive barriers to local exchange market entry. While many of those steps were entirely policy based, the implementation of true number portability has been constrained more by technical limitations than policy. Recent

developments clearly indicate that true number portability is technically feasible, and Ohio intends to have true number portability implemented within the next 24 months. The PUCO believes that the time needed to develop a single national solution would significantly delay the implementation of true number portability in many markets, and thus delay the advancement of local competition.

Role of the Federal Communications Commission (FCC):

The FCC must clearly take a leadership role in facilitating the implementation of true number portability by developing broad policies and rules which detail the parameters to which any number portability solution must adhere. These policies and rules should address issues such as network compatibility, appropriate costing calculations and cost recovery methods. Such measures will ensure that the time and resources spent at the state level on number portability will not have been wasted.

The PUCO supports the suggestion of several parties¹ that the Commission establish timeframes for the nationwide implementation of number portability as long as those timeframes do not preclude the states from implementing number portability solutions in advance of those timeframes. Some incumbent carriers clearly are interested in delaying the introduction of number portability as long as possible². The positions favoring delay must not be permitted to

¹ Comments of the Coalition of Competitive Carriers at page 12.
Comments of the California Cable Television Association at page 3.
Comments of Citizens Utility Company at section III page 7.
Comments of MFS at page ii, and page 8.
Comments of MCI at page 6.

² Comments of Bell Atlantic at page 1. "[I]t would be premature for the Commission to require industry to take immediate steps to implement a long-term solution." At page 3, Bell Atlantic suggests that ATIS be given 18 months to study the issue before the Commission even begin to propose rules. This appears to be a delay tactic. Other parties, including an RBOC, have indicated that they intend to have true number portability implemented in

prevail. The Commission should take care that any timelines they establish, whether for the development of rules, selection of call models or implementation of number portability, are not used by the incumbents as a sword against the states' attempts to move ahead of those timelines.

The Commission should not endeavor to re-invent the wheel. The industry and many states have already devoted a great deal of resources, both time and financial, to the resolution of the number portability concerns. Some states are further along in the process of introducing local exchange competition than others. It would be a disservice to all subscribers if those states were delayed in their progress. The staff of the Illinois Commerce Commission has had unprecedented success in garnering an industry consensus on the appropriate call model for number portability in Illinois. This type of effort should not be discouraged. Each state should be permitted the flexibility to select the solution(s) that best suit the unique needs of the state. For the reasons stated below, there is no reason why one nationwide solution need be selected.

Contrary to the assertions of US West, Inc.³, a single nationwide solution is unlikely to be as efficient, effective, and economically sound as a framework which allows each state or region to develop solutions which consider their unique technical and market characteristics. Because the network topologies and advancement stages of each state are different, any single solution for the entire nation is likely to cause a large variation in the technology changes and financial expenditures each state must make in order to meet the national solution. This clearly cannot be as cost effective as allowing each state to implement the solution that is most cost effective and beneficial for the state. States such as Ohio, which have aggressively pursued

1997. This is well in advance of the timeframe suggested by Bell Atlantic's proposal.
Comments of BellSouth Corporation at page i and 2.

³ Comments of US West, Inc. at page 10.

LEC network advancements over the past several years, should be able to take advantage of those networks by selecting a number portability solution with the specific networks of our state in mind. Ohio does not believe our state or the nation is served by a solution which must consider the lowest common denominator of all states' networks. Additionally, if a single national funding mechanism is developed Ohio would be concerned that the providers and end users of this state would be called upon to fund the network advancements of other states.

The PUCO does not believe that the Commission should mandate particular technical solutions, but rather coordinate the industry standardization of all technical solutions that might be tailored to suit the individual market and technical needs of each state. The Commission should take note that Ohio's largest LEC, Ameritech, and the three competitive local service providers certified in Ohio (Time Warner, MFS, and MCI) agree that a framework which allows the selection of number portability solutions on a regional or state basis is appropriate⁴. In handling the unique concerns and needs that were identified through our workshop process⁵, the PUCO intends to borrow from the developing expertise of other states who have already dealt with some of the issues surrounding this "complex problem."

Table 1 below shows the cross section of commentators that suggested more than one solution may be appropriate for the differing providers and markets. It is important to note that this suggestion was not limited to one type of provider or interest. Rather parties of very unique and competing interests voiced this suggestion. The FCC should take a leadership role in the

⁴ Comments of Ameritech at page 3.
 Comments of MCI at page 6.
 Comments of MFS at page 6.
 Comments of Time Warner at page 16.

⁵ See comments of PUCO at page 1

development of a national framework that would allow individual states to develop solutions that meet the needs of their citizens.

Table 1

COMMENTOR	INTEREST	COMMENT REFERENCE
Ameritech	LEC	p. 3
CA CATVA	Cable, ALEC	p. 2- 3
Citizens Utilities	LEC, CAP, IXC	p. 7
Coalition of Competitive Carriers	Cable, CAP, wireless, ALECs*	p. 12
CPUC	State PUC	p. 2
MCI	IXC, ALEC	p. 6
MFS, Inc.	CAP, ALEC	p. 6
NYNEX	LEC	Sec. C p. 16-17
OPASTCO	Small LECs	p.17
Pacific Telesis	LEC	p. iii, 1-2, and 12
Time Warner	Cable, ALEC	p. iv
	* Alternative LEC	

Costs and Cost Recovery:

Several parties suggest that the costs of implementing true number portability may outweigh the benefits gained. These assertions seem to presuppose that all costs will be passed through to the subscribers. The PUCO is opposed to this early supposition. True number portability is sought primarily as a way to foster competition in the local service market and to provide subscribers with more choice in selecting their telecommunications services. Parties that seek to enter the local service market on a competitive basis repeatedly claim that one of the primary benefits to competition and increased subscriber choice in the local service market will be lower prices. It does not follow then, that the implementation of true number portability should raise subscriber prices to the point that the costs outweigh the benefits. At this time no party is able to definitively identify the true costs or benefits of implementing number

portability. However, since the competitors are requesting number portability, one must assume that the competitors do not intend or suppose that the costs of number portability will outweigh the benefits.

The Commission should focus much of its attention on the issues of cost calculation and cost recovery. Several questions must be addressed. Time Warner's suggestion that the costs of implementing number portability in each provider's network should be borne by the network providers⁶ would certainly be a simple solution. However, there is merit to Ameritech's comments⁷ those who benefit should pay and those who do not benefit should not be forced to pay. The issue of which technical solutions and call models are appropriate are likely to seem small in comparison to the issue of cost calculations and recovery. The PUCO reiterates its suggestion that the Commission convene a targeted federal/state Joint Board⁸ to address the issues of costs and cost recovery. If a Joint Board were to be convened it should be devoted exclusively to the resolution of cost and cost recovery issues, and the Joint Board should be given a definitive sunset date by which to reach resolution. The PUCO would suggest that any such Joint-Board include representation from states and/or regions which have been examining number portability on a detailed basis.

Number Portability Solutions:

Ohio, and most other parties agree that service provider number portability is the most important first step. However, the PUCO reiterates the important point that any solution to

⁶ Comments of Time Warner Communications, Inc. at pages 22-23.

⁷ Comments of Ameritech at pages 6 -7.

⁸ The Illinois Commerce Commission also suggested that a federal/state Joint Board may be an appropriate mechanism to resolve some of the broad issues. See comments of ICC at page 11.

service provider number portability be migratable to location number portability as technology and market demand develops. Any solution that is incapable of evolution, and therefore finite in its near-term application is inappropriate given the rapidly changing market demands, continuing evolution of technology, and the limited economic resources.

Interim Solutions:

The PUCO vehemently disagrees with all parties who suggest that resources be expended to develop interim number portability solutions beyond those currently available through the use of RCF and DID. Because the implementation of true number portability need no longer to be considered a far distance reality, resources expended on developing interim solutions will only divert resources that could be used to develop and implement true number portability, and thereby needlessly delay the implementation of true number portability.

The PUCO acknowledges that RCF and DID are not an adequate substitution for true number portability due to the necessary routing of calls through the incumbents' networks and the service limitations. However, RCF and DID are adequate stop-gap measures during the short-term, while true number portability implementation is proceeding. Additionally, because RCF and DID are generally tariffed services, state regulatory agencies might elect to utilize the compensation for these services as incentives for the incumbents to move forward with true number portability.

Non-Geographic Number Portability:

The PUCO agrees with Commission's tentative conclusion that "service provider portability for 900 and 500 numbers is beneficial for (end user) customers of those services." However, the PUCO further agrees with Ameritech that number portability for non-geographic services does not carry the same level of public interest as geographic service provider number portability.⁹ The portability of non-geographic numbers should be tied to the willingness of non-geographic service providers and end users to pay for the portability. If non-geographic number portability is implemented, safeguards must be put in place to prevent the pass through of costs to other providers and end user who are not providing or using non-geographic services.

Conclusion:

When considering the various comments and reply comments of the parties, the FCC must remain mindful that, contrary to the assertions of several parties, the implementation of true number portability is critical for the development of competition in the local telephone service market. The PUCO and a variety of other parties concur that allowing each state the flexibility to select the true number portability solution appropriate for its market is the most efficient and cost-effective policy. By designing broad parameters, coordinating the national technical standards and establishing a national deadline for the implementation of number portability, the FCC will ensure economic efficiency, the technical compatibility of the various number portability solutions, and the timely adoption of those solutions.

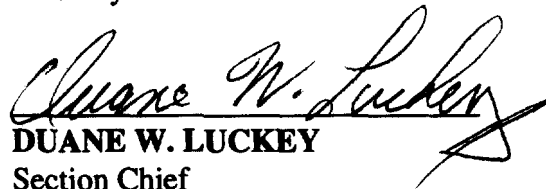
⁹ Comments of Ameritech at Section VIII. A, page 13.

As many commentators note, the costs of number portability are undetermined, and this fact reinforces the need for the FCC to create a new Federal-State Joint Board to specifically address the issues of cost calculations and cost recovery on an expedited timeline. A system of federal and state cooperation will be the most effective manner by which to make true number portability a reality, and this reality will bring the nation closer to the goal of a competitive local telecommunications market.


Respectfully submitted,

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